



NDPE IRF ACTION PLAN (2023-2024)

Since 2019, Wilmar has been an active member of the No Deforestation, No Peat and No Exploitation Implementation Reporting Framework (NDPE IRF), which is a highly effective tool that provides a shared and consistent view of progress across our whole production base, providing both a bird's-eye view for reporting purposes and a granular mill-level categorisation for targeted engagement and improvement.

A key tenet of the NDPE IRF is that it focuses on implementation actions and breaks them down into discrete steps. By including information on initial engagement actions such as workshops and policy developments, as well as longer-term, on-the-ground actions and initiatives, the tool can summarise any progress or gaps in the implementation of NDPE commitments.

OBJECTIVE

Our target is to shift 100% of our volumes into the "Delivering" category using the NDPE IRF by 2025. This aligns with the palm oil sector's ambitious timeline of reducing greenhouse gas emissions from land use change by ending deforestation as noted in the [Agriculture Sector Roadmap](#) to 1.5°C published at COP27.

This NDPE IRF Action Plan should be read as an extension of Wilmar's [2023-2024 timebound action plan](#).



CLICK HERE TO VIEW

[AGRICULTURE
SECTOR
ROADMAP](#)

AND HERE TO VIEW

[2023-2024
TIMEBOUND
ACTION PLAN](#)

SCOPE

Wilmar's NDPE IRF Action Plan covers all our facilities globally, including joint ventures.

In addition, Wilmar's supply base constitutes supplies from our own mills/refineries, third-party mills and third-party refiners/traders/bulkers. The action plan shall include progress breakdown on supplying entity level basis categories noted above.

ROLES AND RESPONSIBILITY



The Chairman and CEO, and the Board of Directors oversee the management of Wilmar's sustainability strategy. They are supported by the Board Sustainability Committee (BSC) which meets quarterly. The BSC assists the Board of Directors in fulfilling its oversight responsibility in relation to Wilmar's objectives, policies and practices pertaining to sustainability or Environmental, Social and Governance (ESG) matters. These include formulating ESG strategies, identifying ESG-related risks, evaluating ESG performance and targets and monitoring the implementation of ESG related policies and practices

Wilmar's Sustainability Department is led by the Chief Sustainability Officer, with General Managers in charge of day-to day management. Staffed by over 70 employees across our global offices and sites, the Sustainability Department works in collaboration with all business and operational units to implement the Group's multi-faceted sustainability strategies and initiatives. A combination of local and technical expertise throughout Asia, Africa and Europe enables the department to oversee the implementation of the NDPE Policy and other sustainability related policies, sustainability certification, supply chain monitoring, R&D, carbon and climate change, stakeholder engagement and reporting.

In addition, independent sustainability experts and eminent individuals also work with the Sustainability Department to provide on-the-ground support to execute and evaluate the implementation of our ESG policies. The consultants provide advisories and recommendations related to external stakeholder expectations and global sustainability trends.



TARGETS AND MILESTONES

DESCRIPTION	TARGET	ACTIVITY	MILESTONES	STATUS	NOTES
<p>WILMAR'S OWN MILLS</p> <p>Wilmar operates 45 palm oil mills located across East Malaysia, Indonesia, Ghana and Nigeria. Nine mills in Indonesia are independent operations that purchase fresh fruit bunches exclusively from third-party suppliers. For the remaining mills, only one is supplied by our own plantations while the other 35 mills source from both our own plantations and third-party suppliers.</p>	<p>100% "DELIVERING" BY 2023</p>	<p>In 2022, nine independent mills in Indonesia were under the "Commitment and starting action" category. Direct engagement with the mills throughout 2022 resulted in a positive improvement.</p>	<p>As at end December 2022, all 45 Wilmar-owned palm oil mills to "Delivering" category.</p>	<p> Achieved</p>	-
<p>THIRD-PARTY MILLS</p> <p>Over 775 mills directly supply Wilmar refineries in Malaysia/Indonesia alone, with each refinery typically having 50-100 mills in its supply network.</p>	<ul style="list-style-type: none"> • 100% OF VOLUMES IN "COMMITMENT AND STARTING ACTION" OR HIGHER CATEGORY WHICH INCLUDES 60% OF VOLUMES IN "PROGRESSING" OR HIGHER CATEGORY BY 2023 • 80% OF VOLUMES IN "DELIVERING" BY 2024 • 100% "DELIVERING" BY 2025 	<p>Improved cross-functional and inter-regional data collection and processing effort, which is supported by systems such as our Supplier Reporting Tool (SRT), Supplier Group Compliance Programme (SGCP) and Grievance Procedure, among others.</p>	<p>Of the total volumes sourced by our Origin Refineries in 2022, 45.4% originated from mills delivering on both No Deforestation and No Peat commitments. Of the remaining volumes sourced, 45.2% originated from mills that have committed or have taken action to ensure their volumes comply with our No Deforestation commitments, while 45.9% have done so for our No Peat commitments.</p> <p>Overall progress across Wilmar's global supply chain</p> <p>As at end 2022, 91.8% of palm and lauric products volumes supplied to Wilmar's Origin Refineries in Malaysia and Indonesia and 89.9% across Wilmar's global supply chain are from suppliers that have at least group-level commitments and/or action plans in place to address the No Deforestation requirements.</p> <p>In comparison, as at end 2021, 88.3% of palm oil and lauric product volumes to Wilmar's Origin Refineries in Malaysia and Indonesia and 83.5% across Wilmar's global supply chain are from suppliers that have at least group-level commitments and/or action plans in place to address the No Deforestation requirements.</p>	<p> In progress</p>	<p>In 2022, less than 4% volumes sourced by our Origin Refineries in Malaysia/Indonesia originated from third-party mills that are in "Awareness" or "Known" categories.</p> <p>Overall progress across Wilmar's global supply chain</p> <p>In 2022, more than 90% of volumes sourced in our Origin Refineries in Indonesia and Malaysia were from supplying mills that at least have NDPE commitments and are starting implementation actions. This means that more than 90% of volumes are from supplying mills in the highest NDPE IRF categories - "Commitment and starting action", "Progressing", or "Delivering". This represents an increase of 3.5% and 2.4% in the highest NDPE IRF categories for No Deforestation and No Peat requirements respectively.</p> <p>As for Destination Refineries, in comparison to the results from 2021, our global supply chain has made significant progress in advancing to higher categories of progress. This includes over 10.9% and 23.8% increase in volumes across the highest categories of progress for No Deforestation and No Peat requirements respectively.</p>

TARGETS AND MILESTONES *(continued)*

DESCRIPTION	TARGET	ACTIVITY	MILESTONES	STATUS	NOTES
<p>THIRD-PARTY REFINERIES/ TRADERS/BULKERS</p> <p>Wilmar refineries globally also procure palm products from third-party refineries/ traders and bulkers. Where this is the case, we request for information (TtM/TtP/NDPE IRF) for volumes received. Wilmar's sustainability team then continuously monitors the lists obtained from suppliers to ensure that there is no breach of our NDPE policy.</p>	<p>100% "DELIVERING" BY 2025</p>	<p>In 2023 - 2024, we aim to make tremendous inroads in ramping up our efforts by engaging with ALL our direct third party refinery/ trader/bulker suppliers to gather information on their sourcing. This includes encouraging voluntary disclosure of IRF profiles through self-assessment tools where we buy directly.</p>	<p>As at end 2022, we received from around 219 third-party refineries/traders/bulkers globally. Of this, NDPE IRF profiles of 39 suppliers were available either through requests made on a B2B basis or have been published on company sustainability dashboards. Further, approximately 12% of the profiles have been verified per the NDPE IRF verification protocol.</p>	<p> In progress</p>	<p>Some challenges that have impacted our progress include differences in the timing of reporting between companies and the lack of adoption of the NDPE IRF tool by smaller suppliers. In addition, not all companies publish their results for their entire scope of operation.</p> <p>Further, it is also important to note most companies have still not progressed to verifying their profiles.</p>

REPORTING

Wilmar's NDPE IRF profiles have been independently verified by Control Union for all our global operations since 2020. This means data across our global facilities covering cross-functional and inter-regional data collection and processing effort, which is supported by systems such as our SRT, SGCP and Grievance Mechanism, among others, have been externally verified. Wilmar's FY2022 IRF profiles across our global operations has undergone limited external assurance by Control Union per the NDPE IRF Verification Protocol.

While Wilmar is encouraged by and welcomes the publication of NDPE IRF profiles of several companies across the industry, we look forward to broader participation and uptake from the marketplace.

